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SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: PRESIDENT BUSH AND USTR
SCHWAB IN BRAZIL; SAO PAULO

"The USTR Message"

Center-right national circulation daily O Estado de S. Paulo editorialized (3/14): "USTR Susan Schwab's meetings with representatives of Brazilian industrial and agribusiness sectors are the best reference for an evaluation of President Bush's visit to Brazil last week. Maybe President Lula's visit to Washington in early April will produce some more concrete results for bilateral trade and for the advancement of the Doha Round multilateral negotiations.... The results [of Schwab's meetings in Sao Paulo] were very poor in general.... The most disappointing for those who had some expectation about the visit was her message about the U.S. barriers on Brazilian ethanol.... Not only does the USG intend to postpone the complete opening of its ethanol market to more competitive producers, it plans to maintain an important protection component - the special tariff - out of the Doha Round negotiable concessions. Given that attitude, it is very difficult to seriously consider a joint project to develop alternative fuels. Brazil's competitive strength in this area is internationally recognized and none of its major trade partners will concede anything to it, unless it is absolutely necessary. Only the GOB seems to believe in the idea of an international cooperation in the sector when the nature of the dispute is different.... Only Brazil is willing to yield technology for free to possible competitors. Making even more obvious this detail may have been the most positive effect - or perhaps the only one - of President Bush's visit to Brazil."
McMullen